

RESEARCH BRIEF

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Community Advantage Panel Study: Sustainable Approaches to Affordable Homeownership

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The UNC Center for Community Capital is conducting a long-term examination of 46,000 lower-income U.S. homeowners whose mortgages are part of the Community Advantage Program (CAP). CAP began before the foreclosure crisis and continues today.

The center's findings and analysis provide insight into the economic and social benefits of extending homeownership to creditworthy low- and moderate-income households and how to create a sustainable U.S. housing finance system.

Homeownership offers U.S. households a primary pathway to financial and economic stability. But many Americans, particularly lower-income and minority populations, lack access to this important wealth-building tool.

The UNC Center for Community Capital has studied the experience of 46,000 low- and moderate-income (LMI) and minority homeowners since 2003 to identify whether and how specific lending practices enable LMI households to transition successfully to homeownership.

The center's Community Advantage Panel Study (CAPS) examines data collected from the Community Advantage Program (CAP). Self-Help, a community development financial institution, teamed with the Ford Foundation and Fannie Mae to create CAP, which is a secondary market outlet for affordable mortgage loans.

CAP was created to meet two goals: expand home lending to LMI households and demonstrate the creditworthiness and market opportunity these households provide to the mortgage industry.

The commitment of the three founding organizations and of participating lenders from across the country represents an unparalleled investment in affordable mortgage lending. To date, CAP has provided more than \$4 billion in home loans to LMI borrowers.

The CAPS provides a unique opportunity to examine the performance of affordable mortgages before, during and after one of the most turbulent periods in the nation's housing history.

Findings from CAPS indicate that it is possible to expand homeownership broadly without introducing excessive risk to households and lenders.

This brief describes the CAP partnership, the history and context from which it evolved, the data collected for the study and key findings from more than a decade of CAPS analysis.